

Candidate Name	Centre Number	Candidate Number
		2



**General Certificate of Education
Advanced Subsidiary/Advanced**

321/01

**BUSINESS STUDIES
BS1**

A.M. WEDNESDAY, 9 January 2008
(1 hour)

For Examiner's Use Only		
Question	Maximum Mark	Examiner's Mark
1	18	
2	12	
3	20	
QWC	3	
Total	53	

ADDITIONAL MATERIALS

In addition to this examination paper, you will need:

- a calculator.

INSTRUCTIONS TO CANDIDATES

Answer **all** the questions in the spaces provided.

Write your name, centre number and candidate number in the spaces at the top of this page.

INFORMATION FOR CANDIDATES

Mark allocations are shown in brackets.

Candidates will be assessed on their quality of written communication i.e. the structure and presentation of ideas; the clarity of expression; grammar, punctuation and spelling. Up to three marks will be awarded for written communication.

No certificate will be awarded to a candidate detected in any unfair practice during the examination.

Answer **all** the questions in the spaces provided.

1. Trouble at Direct Law

James Smart, a tax law specialist, is one of five partners who formed a law firm, Direct Law, five years ago. Prior to working in the **private sector** with Direct Law, James had worked in the **public sector** in Her Majesty’s Revenue and Customs (formerly the Inland Revenue).

Relationships with two of the other partners had not been good for some time and he was worried that some of their recent decisions were putting both the firm’s and his own financial security at risk. He had just emerged from yet another stormy weekly partners’ meeting at which his views on the way forward for the business were rejected. He felt that it might now be a good time to leave and set up business on his own. He knew that leaving the partnership might create problems, but he was glad they had all signed a **Deed of Partnership** when the firm was set up. James asked his secretary to bring him a copy to read before making his final decision.

(a) Outline the differences between the private and the public sectors of the UK economy. [4]

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(b) (i) What is a Deed of Partnership? [2]

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(ii) Why is it important that the partners at Direct Law had drawn up a Deed of Partnership when they set up their business? [4]

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2.



Extract 2

BA strike chaos starting to ease.

Up to 1000 passengers are thought to have been disrupted by the BA strike in sympathy with sacked catering workers who had staged an unofficial walkout over proposed restructuring plans. The Transport and General Workers Union (TGWU) has entered into talks with BA management in an attempt to resolve the dispute.

BBC NEWS 24, August 2005

Extract 1

British Airways in Price-Fixing Probe.

The UK Government's Office of Fair Trading is investigating alleged **collusion** and **price-fixing** in passenger fares and fuel surcharges by British Airways and other major airlines. Virgin Atlantic, United Airlines and American Airlines said they were co-operating with the probe.

CBS NEWS, June 2006.



(a) Collusion and price-fixing are often regarded as features of oligopoly.

(i) Define the term 'oligopoly'.

[2]

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(ii) Identify **two** features of oligopoly, **other than** collusion and price-fixing.

[2]

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II

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